

Message Text

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17 11

ACTION NEA-13

INFO OCT-01 EA-11 ISO-00 CPR-02 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 INT-08

SCI-06 FEA-02 L-03 SS-20 NSC-10 SAM-01 PA-04 PRS-01

USIA-15 DRC-01 /174 W

----- 075824

R 060458Z FEB 74

FM AMEMBASSY SANAA

TO SECSTATE WASHDC 3271

INFO AMEMBASSY JIDDA

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: YE, US, JA, ETRD

SUBJ: POSSIBLE INVOLVEMENT OF US FIRMS IN OIL PROS-
PECTING IN YEMEN

REF: STATE 18741 (NOTAL)

1. MR. EDMUND PENDLETON, WASHINGTON ATTORNEY, VISITED
SANAA FEBRUARY 2-4. DURING CALL AT EMBASSY SHORTLY AFTER
ARRIVAL, PENDLETON INFORMED US HE WAS REPRESENTING JAPANESE
FIRM TOYO MENKA KAISHA LTD AND ITS AMERICAN SUBSIDIARY
TOYOMENKA, INC. TO SEEK OIL CONCESSION IN YEMEN. HE
STATED THAT IF HE WERE SUCCESSFUL IN GETTING AN
OPTION HE WOULD TRY TO INTEREST AMERICAN FIRMS (ATLANTIC-
RICHFIELD, SANTA FE AND OTHERS). IN JOINING THE JAPANESE
FIRM TO CARRY OUT EXPLORATION. PENDLETON HAD PREVIOUSLY
MET BOTH YEMENI AMBASSADOR TO WASHINGTON GEGHMAN AND CENTRAL
PLANNING ORGANIZATION DIRECTOR DR. ABDUL-KARIM AL-IRYANI.
EMBASSY SUGGESTED SOME ADDITIONAL USEFUL CONTACTS.

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2. PENDLETON'S MEETINGS HERE RESULTED IN EXCHANGE OF LETTERS WITH YARG GRANTING HIM SIX MONTHS EXCLUSIVE RIGHT TO CARRY OUT OFFSHORE SEISMOGRAPHY IN ALL YAR TERRITORIAL WATERS NOT ALREADY ALLOCATED TO SHELL (SANAA A40, 1843), I.E. PENDLETON AND ASSOCIATES WILL BE FREE TO OPERATE IN AREA FROM KHOKHA TO BAB-EL-MANDEB. SHOULD COMPANY HAVE SHOWN GOOD INTENTIONS BY INTRODUCTION OF SEISMOGRAPHIC VESSEL BUT NOT HAVE BEEN ABLE TO COMPLETE ITS RESEARCH WITHIN SIX MONTHS, YARG WILLING CONSIDER SYMPATHETICALLY EXTENSION FOR A FURTHER SIX MONTHS. IF AT THE END OF PERIOD COMPANY HAS POSITIVE RESULTS, IT WILL SUBMIT CONCESSION PROPOSAL ON GENERAL OPEC MODEL FOR YARG CONSIDERATION. YARG HAS NO OBLIGATION ACCEPT THIS BUT IF IT DOES NOT COMPANY WILL IN TURN HAVE NO OBLIGATION RELEASE RESEARCH DATA TO YARG. IF FINDINGS ARE NEGATIVE, AGREEMENT TERMINATES WITH NO FURTHER OBLIGATIONS ON ANY PARTY.

3. YARG WAS NOT WILLING AUTHORIZE ONSHORE SEISMOGRAPHY ARGUING THAT MUCH OF THIS HAD ALREADY BEEN CARRIED OUT. HOWEVER, YARG SUGGESTED THAT IF PENDLETON INTERESTED IT WOULD HAVE NO OBJECTION TO HIS SEEKING PURCHASE SEISMOGRAPHIC INFORMATION EARLIER DEVELOPED BY AMERICAN FIRM OF MECOM AND ALGERIA'S SONATRACH FROM LATTER.

4. PENDLETON WILL NOW BE IN TOUCH WITH PROSPECTIVE AMERICAN PARTICIPANTS AND WITH SHELL. ONE PURPOSE OF CONTACT WITH SHELL IS TO SEE IF BOTH FIRMS CAN USE SAME SEISMOGRAPHIC SURVEY VESSEL, PARTICULARLY IF SHELL PLANS TO EMPLOY A CONTRACTED SHIP.

5. COMMENT: YEMENI OFFICIALS WHO HANDLED NEGOTIATIONS WITH PENDLETON TELL US THAT THEY DELIBERATELY MADE TERMS OFFERED HIM SOMEWHAT HARDER THAN THOSE EARLIER NEGOTIATED WITH SHELL. THEY FEEL THAT WITH SHELL HERE AND WITH WORLD'S FRANTIC SCRAMBLE FOR NEW CONCESSION AREAS,

PARTICULARLY ON PART OF THE JAPANESE, THEY ARE LIKELY TO FIND PLENTY OF SUITORS KNOCKING AT THE DOOR.

CRAWFORD

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Message Attributes

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Disposition Authority: morefirh
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
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Drafter: n/a
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